

LA County Commercial PACE Program

Upgrade buildings. Enhance value. Create jobs.



What is PACE?

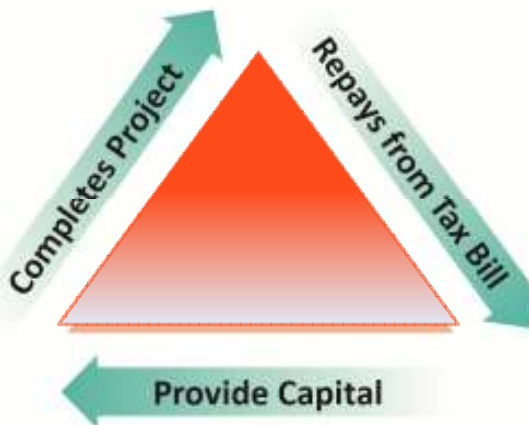
Government Sponsor



Property Owner



Financer

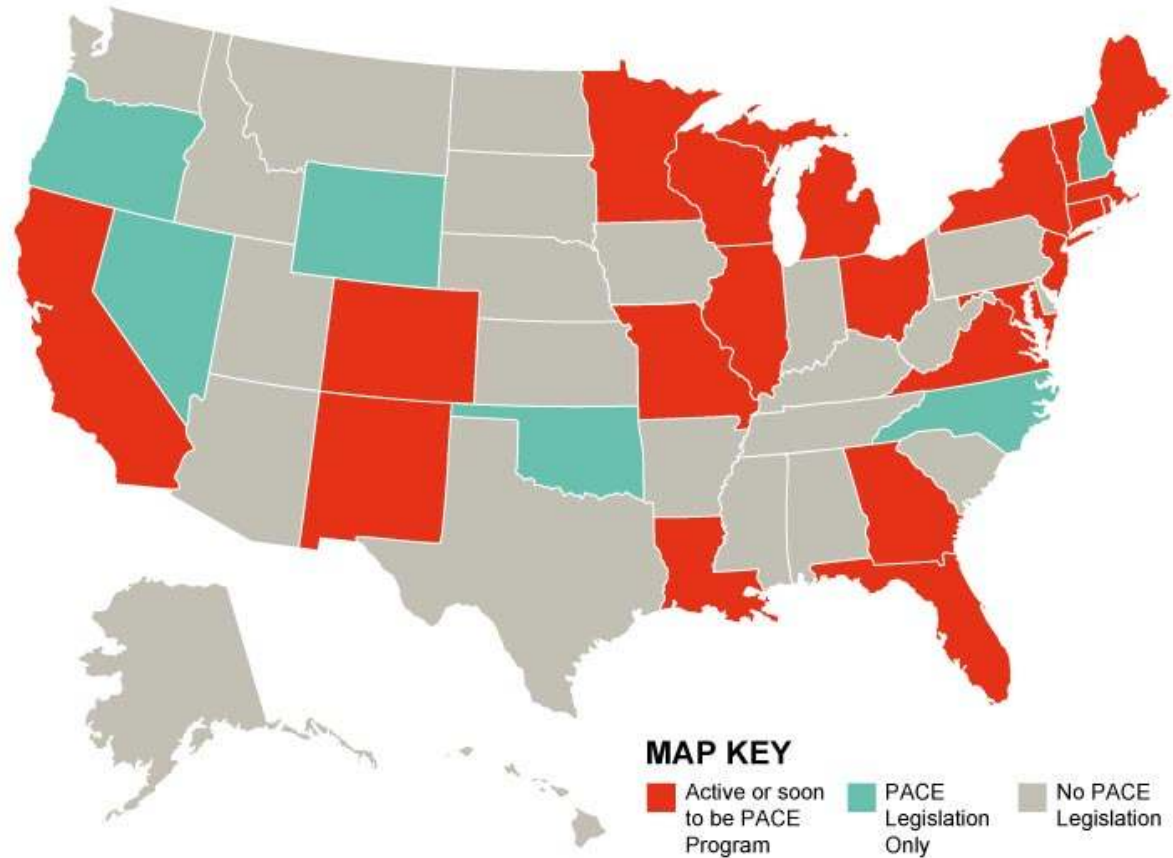


Property **A**ssessed **C**lean **E**nergy



LA County Commercial PACE Program

- PACE is nationwide
- 90% Los Angeles County cities have adopted PACE



What is the Property Owner's responsibility?

Property Owner



- Identifies the scope of work and contractor.
- Finds a financier and negotiates terms.
- Pays through property tax bill (5-20 years)
- Receives benefits of lower energy bills and operating costs



What does the financier do?

Financer



- Negotiates terms with property owner
- Provides capital for improvements to property
- Repaid from proceeds of assessment (upon settlement)



What does the County do?

Government Sponsor



- Creates financing district and approval process
- Collects repayment tied to property taxes
- Provides a bond to the financier



Benefits of PACE

- Funds up to 100% of installed costs: “cash-flow positive” from day one
- Lower rates and longer terms
- No personal guarantees
- Finance portfolio projects/properties under a single bond with individual assessments
- Pass the project cost onto tenants



Sample Project

Sample Project Economics

| | |
|-----------------|-------------|
| Project Cost: | \$1,000,000 |
| Interest Rate: | 7% |
| Term: | 15 years |
| Annual Payment: | \$110,000 |
| Annual Savings: | \$150,000 |
| Excess Savings: | \$40,000 |



PACE Project Examples

Projects must be proven to save either energy or water, or generate clean power:

- Heating, ventilation and air conditioning
- Building automation systems
- Building envelope improvements (roof, windows)
- Elevator modernization
- Solar PV or fuel cells
- High-efficiency lighting fixtures and lamps
- Occupancy and day-lighting sensors



PACE Process

1. Owner engages contractor, gets a walkthrough & SOW.
2. Owner submits PACE reservation to County.
3. Owner completes ASHRAE audit.
4. Owner finds investor and negotiates financing terms.
5. County sells bond to Investor and assessment is placed.
6. Owner completes improvement.
7. Owner pays assessment and County pays investor.



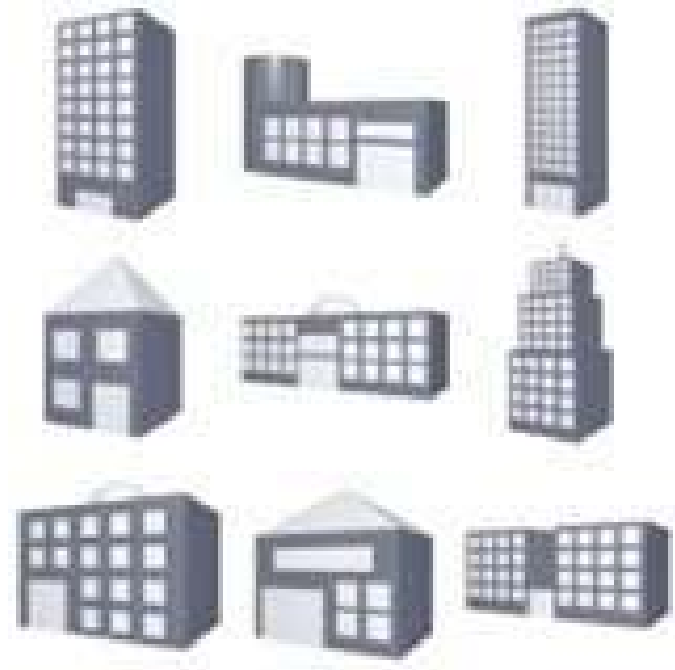
Ideal Candidates

- Properties with no mortgage.
- Properties leased to government agencies
- Older buildings in need of major upgrades
- Properties with low loan to value
- Portfolios of properties with a single owner
- Industrial/manufacturing facilities
- Properties needing to comply with legal requirements (AQMD upgrades)



Ideal Candidates

- Commercial offices
- Retail/restaurants
- Industrial facilities
- Hotels
- Apartment buildings



Role of PACE in Los Angeles

- Administrative processes are in place, at no cost to participating cities
- PACE is an economic (re)development tool
- High quality jobs
- Local economic activity
- Cities, COGs and Chambers of Commerce are encouraged to co-brand and market the PACE program



Questions and Comments

info@lapace.org

(877) 785-2237

LAPACE.org

